

Victim Compensation and Government Claims Board

VICTIM COMPENSATION PROGRAM

July 25, 2003

**630 K Street
First Floor Hearing Room
Sacramento, California**

Use of Non-Profit Agreements in the Victim Compensation Program

Summary

This paper reviews the history and purpose of the Non Profit Agreement (NPA) system for mental health service providers. The NPA system was authorized by the passage of Senate Bill 644 in October 1993. SB 644 was very comprehensive with far reaching impact on the program. At that time the Board was not making timely payments to providers and faced fiscal problems, resulting, in part, from excessive mental health costs. Among numerous changes to the program, the bill (1) established the VCP's current mental health caps of \$3,000 and \$10,000, and (2) authorized agreements between "qualified" non-profit providers and the VCP that require a simplified verification process and an expedited payment system. In return, NPA providers agreed to regular reviews and fiscal audits. At the outset, 13 non-profit organizations signed NPAs with the VCP.

There are now 29 NPA providers, all of whom exclusively treat children. Collectively they provide approximately 35% of VCP reimbursed mental health counseling. Nearly all NPA bills are keyed into the VCP's computer system within 5 days and are paid in an average of 20 days from the date the bill is received.

Staff believes participating agencies are able to provide victims a higher quality of care through better trained staff, case management services, and trauma focused treatment. Currently, the VCP is considering the expansion of the NPA process to include adult treatment facilities. Further expansion of the NPA process could provide streamlined and expedited service to a greater number of victims throughout the state.

Background

NPAs were established at the Board in 1994 as a result of the passage of Senate Bill 644 on October 1, 1993 (See attachment A for the text of the statute related to NPAs).

SB 644 made sweeping changes to the program, including provisions to address the Board's fiscal problems. It placed limits on mental health expenditures when there previously were no limits as to how much of a victim's total award could be used for mental health treatment. On some occasions victims' claims reached the limit of \$46,000 for mental health treatment. The statute capped these expenses at \$10,000 for primary victims (and certain derivative victims) and \$3,000 for all other derivative victims. A "Dire or Exceptional" provision was included to allow for additional treatment beyond those

caps in cases deemed having unusually severe circumstances. These caps are still currently in place, however, in January 2003, the VCP adopted the new mental health regulations to implement session limits, which require Board staff to review requests for additional treatment at a point well below the statutory limits of \$3,000 and \$10,000.

Beyond establishing mental health treatment caps, SB 644 allowed qualified non-profit treatment organizations to enter into agreements with the VCP. A qualified provider was defined as “a nonprofit agency with extensive experience in providing mental health services to victims of crime who are minors and their families and that has utilized reimbursement from the Restitution Fund at a significant level on a regular and constant basis”. Effective January 1, 2003, the definition of a qualified provider was modified. Providers are no longer required to have experience in providing services to minor crime victims and their families. To become qualified, an agency must file an application that is reviewed and approved by the board.

Prior to the passage of SB 644, the VCP had been experiencing a combination of problems, both fiscal and process-related, that had resulted in significant delays in payments to non-profit and other providers. The bill required the Board to develop “a simplified and expedited procedure for paying claims”. Board staff developed a system of expedited eligibility determinations and payments via “batched” billing. In exchange, the agreements call for qualified agencies to submit to regular fiscal and clinical reviews. Staff in the Quality Assurance Mental Health (QAMH) Section oversees these agreements. In sum, the claim eligibility and bill verification/ payment process was abbreviated and expedited with oversight occurring in the form of regular fiscal audits and clinical reviews.

Initially, 13 non-profit agencies signed agreements with the VCP. Today, that number has grown to 29 agencies throughout California (See Attachment B). Several of these agencies are recognized as among the leading mental health treatment organizations for trauma victims in the state, if not nationally¹. In general, the staff at these agencies (both licensed and intern) are well trained² in leading edge treatment techniques (e.g. Assessment Based Treatment, Parent-Child Interactive Therapy, and Cognitive Behavioral Therapy.)

These agencies provide a complete set of services to victims, including coordination of resources from the schools, any medical/psychiatric components and the court system. Staff believes the quality of care at these facilities tends to be higher, on average, than other providers, although this belief has not been verified through a formal evaluation. In an effort to validate the quality of care provided by the NPAs, the VCP’s largest single provider of mental health services (and an NPA provider), the Chadwick Center at Children’s Hospital, San Diego, has agreed to allow the VCP to evaluate treatment outcome data to assess treatment progress.

¹ For example, both the Chadwick Center at San Diego Children’s Hospital and the CAARE Center at UC Davis Medical Center have received federal grants to research and develop newer therapeutic methods for trauma treatment.

² In general, these agencies have structured training programs for interns and regular training for all staff in new and effective treatment methods.

NPA Training and Oversight

In reviewing an application from a prospective non-profit provider, QAMH staff considers, among other factors:

1. The provider's area of specialty and population served,
2. Whether the provider is currently active in and has at least three (3) years past experience in the treatment of child victims of child molest/abuse and their families in a non-profit status, and
3. Whether the board has received verified bills from the provider in the amount of at least \$10,000 for the past year for the treatment of child victims and their families. [Note: in 1998 this amount was reduced from \$75,000, thus allowing more agencies to become NPA providers.]

Once a new provider is approved, QAMH staff arranges for a "meet and greet" visit to provide the new organization's staff with orientation and training regarding the requirements for clinical documentation, billing procedures, and information about clinical reviews and fiscal audits (See Attachments C, D and E). Each NPA is assigned a primary QAMH staff analyst as an on-going resource for any issue that may arise.

At regular intervals, QAMH staff conducts reviews of each NPA provider organization. These reviews are conducted to ensure that the documentation necessary to determine the treatment is a direct result of the crime is being maintained in the claimant's file and that certain required forms are maintained. A positive review outcome signifies that the provider agency is in compliance with the NPA and may continue to take part in the agreement. If the results are unsatisfactory, the organization may be placed on a Plan of Corrective Action (POCA). The Audits and Investigations Branch is charged with conducting regularly scheduled fiscal audits; however, because of staffing difficulties, regular fiscal audits have not been completed since September of 2000.

Workload Data

NPA providers annually generate approximately 35% of the VCP's outpatient mental health bills (about 30,000), as well as approximately 3,000 applications. Nearly all NPA bills received by QAMH staff are keyed into the VCP's system within five (5) working days. These bills are then paid through the VCP's "preauthorization process". The provider receives payment within 20 days after the VCP receives the bill. During calendar year 2003 to date, payments to NPA providers averaged \$450,000.00 per month.

CONCLUSION

Expanding the VCP's current NPA system would benefit both the VCP and crime victims who seek treatment for emotional injury due to the crime. The VCP would benefit from additional mental health providers who provide more efficient and skilled therapy to each victim. Victims benefit from therapists that are generally well skilled, able to remediate crime related symptoms in an efficient and timely manner, and have greater resources at their disposal. Expanding the current NPA system would be a cost effective course of action, as it would involve expansion of a functioning system and not the complete development of a new system.

Attachment A

§ 13957.9: Nonprofit Provider Agreements

- (a) Notwithstanding Section 13954, the board shall develop a simplified and expedited procedure for paying claims of a qualified provider of mental health services.
- (b) A simplified and expedited procedure for paying claims specified in subdivision (a) shall include all of the following:
- (1) An agreement by the provider to subject its claims to audit procedures established by the board and to request payment only for qualified services.
 - (2) An agreement by the board to pay claims on a regular and timely basis to a qualified provider for services without requiring further documentation beyond that required to initially qualify the claim.
 - (3) Additional methods of simplifying the claims process as agreed upon between the board and the qualified provider.
- (c) Simplified and expedited procedures for mental health services may be instituted when both of the following conditions are met:
- (1) The board has determined that the crime has occurred and that the victim qualifies for compensation pursuant to this chapter.
 - (2) Services to the victim or derivative victim, or both, are being provided by a qualified provider.
- (d) A nonprofit agency may apply to the board for a determination that the nonprofit agency is a qualified provider for purposes of this section. The board shall approve or reject an application from a qualified provider for participation in an agreement pursuant to this section within 90 days of receipt of a complete application as required by the board.
- (e) An agreement made pursuant to this section shall not be deemed to be a contract subject to the requirements of Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code.
- (f) For purposes of this section, "qualified provider" means a nonprofit agency with extensive experience in providing mental health services and that has utilized reimbursement from the Restitution Fund at a significant level on a regular and constant basis. Upon request of a nonprofit agency, the board shall determine if the nonprofit agency is a qualified provider for purposes of this section.
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**Attachment B – Current NPA Providers
Payments and bills for January through June 2003**

NPA PROVIDER - County		Total Dollars	Total Bills
CHILDRENS HOSPITAL - San Diego		\$1,125,362	10,919
CASA DE LA FAMILIA – Los Angeles		\$166,560	1,363
CHILDRENS INSTITUTE INTERNATIONAL - Los Angeles		\$122,832	1,423
LA CHEIM - Alameda		\$120,185	816
VALLEY COMMUNITY COUNSELING - San Joaquin		\$114,901	1,067
FAMILY SERVICE AGENCY OF SAN MATEO – San Mateo		\$107,874	1,240
CALM - Santa Barbara		\$86,178	393
CHILD & FAMILY INSTITUTE - Sacramento		\$58,965	522
CHILDRENS CENTER OF ANTELOPE VALLEY – Los Angeles		\$50,885	535
FAMILY SERVICE AGENCY OF MARIN – Marin		\$40,382	393
CHILD & FAMILY GUIDANCE CENTER – Los Angeles		\$33,408	202
VILLAGE FAMILY SERVICES - Los Angeles		\$32,666	322
SAN FRANCISCO GENERAL HOSPITAL PSYCHIATRY – San Francisco		\$30,200	217
TURNING POINT - Contra Costa		\$26,736	147
FOR THE CHILD – Los Angeles		\$26,493	195
INTERFACE - Ventura		\$13,590	185
EASTFIELD MING QUONG - Santa Clara		\$9,966	98

FAMILY SERVICE AGENCY OF YOLO - Yolo		\$9,747	75
NPA PROVIDER - County		Total Dollars	Total Bills
AFTER - Sacramento		\$9,635	88
BARBARA SINATRA CHILDRENS CENTER - Riverside		\$8,488	630
ADVANCED PSYCHOLOGICAL SERVICES – Los Angeles		\$7,200	569
CARE - Sonoma		\$5,520	571
CHILDRENS HOSPITAL - Los Angeles		\$5,043	33
REACH - Nevada		\$4,410	39
WEST COAST CHILDRENS CENTER - Contra Costa		\$4,290	3
CHILD HAVEN - Solano		\$3,589	18
CHILD ABUSE PREVENTION COUNCIL OF PLACER COUNTY– Placer		\$2,940	27
FAMILY STRESS CENTER - Contra Costa		\$980	23
TOTALS, DOLLARS AND BILLS FOR JANUARY – JUNE 2003		\$2,491,560	20,264

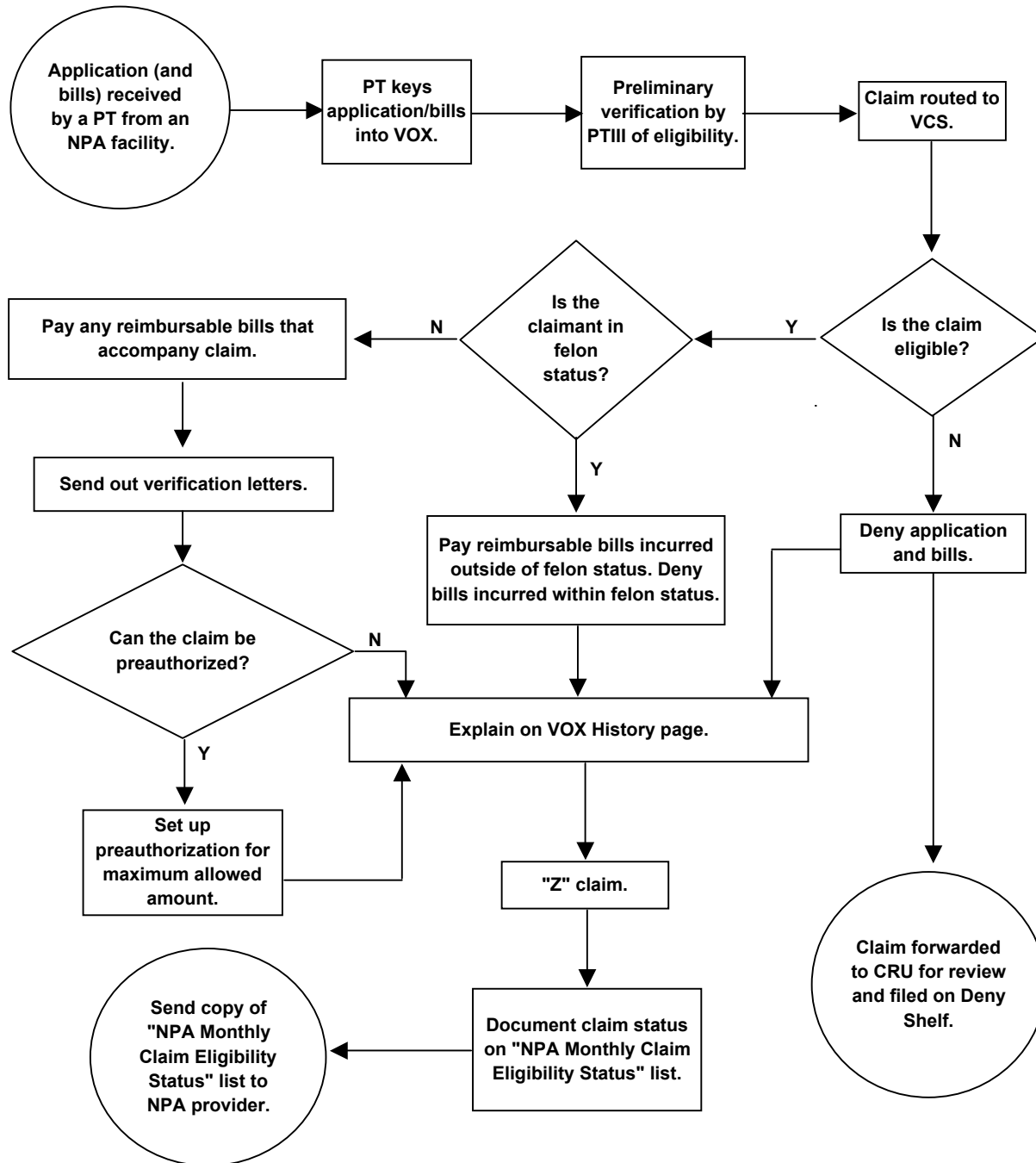
Attachment C – NPA Review Process

The NPA review process consists of the tasks listed below, listed generally in the order that they are completed:

- Coordinate date to conduct review with the NPA facility
- Select the claims for review (approximately 10% of the claims included in the agreement)
- Review identified claims. This includes completion of the review form (e.g. summarize the qualifying crime, mental health treatment history, and other pertinent information).
- Prepare claim review packet. The packet consists of the review forms, crime information, mental health records and other pertinent documents for each claim.
- Review the facility's recent review history to be familiar with any trends or a Plan of Corrective Action (POCA).
- Notify the facility of the claims that will be reviewed during the visit
- Conduct the clinical review, which consists of:
 - Provide pre-review briefing with NPA Project Director and facility staff
 - Review treatment documents
 - Evaluate and analyze the effectiveness and appropriateness of treatment
 - Make recommendations on whether to authorize reimbursement for the treatment provided
 - Provide post-review briefing to NPA Project Director and facility staff
- Discuss the review findings with QAMH management.
- Compose a comprehensive summary detailing the review findings and conclusions for a review by QAMH management and Program Executive staff
- Compose a letter to the facility notifying them of the review findings and a POCA if necessary.

Note: Not included in the review tasks described above is the preparation of the POCA and a follow-up audit to ensure compliance. These tasks are performed only if the results of the initial review are unsatisfactory.

NPA Application (and Initial Bill) Processing



NPA Expedited Billing Process

